

Draft

**ENHANCED MUNICIPAL SERVICES DISTRICT COMMISSION
CITY OF SCOTTSDALE
PINNACLE ROOM
7575 EAST MAIN STREET
SCOTTSDALE, ARIZONA
JUNE 15, 2005
MINUTES**

PRESENT: William Gookin, Jr., Chairman
Paul Piazza, Vice Chairman
Marilynn Atkinson, Commissioner
Bambi Johnson, Commissioner

ABSENT: Anselm Bischoff, Commissioner
Steven Scholz, Commissioner
Sally Shaffer, Commissioner

STAFF: Michelle Korf, Deputy Director
John Little, Executive Director

OTHERS Kathy Duley, Scottsdale Gallery Association
PRESENT: Michael Fernandez, Brown Stetson Merchants Association
Frank Maguire, Fifth Avenue Merchants Association

CALL TO ORDER

Chairman Gookin called the regular meeting of the Enhanced Municipal Services District Commission to order at 5:36 p.m.

ROLL CALL

A formal roll call confirmed members present as stated above.

APPROVAL OF MINUTES

A MOTION WAS MADE BY COMMISSIONER ATKINS TO APPROVE THE MINUTES OF THE MAY 9 AND MAY 18, 2005 MEETINGS AS PRESENTED. THE MOTION WAS SECONDED BY VICE CHAIRMAN PIAZZA AND PASSED UNANIMOUSLY.

FY06 MARKETING PLAN AND BUDGET

Mr. Little reminded the Commissioners that at the May 17, 2005 City Council meeting, Council had eliminated the assessment district as a source of funds for downtown EMSD marketing.

However there was recognition of the importance of downtown marketing. The only other source of funding for this was the General Fund. On May 17, the budget limit of the General Fund was set. The line item in the General Fund budget was set at \$580,000. It was important to understand that this was a maximum spending limit, not that this amount would actually be available. Should funds be found, up to \$580,000 could be put into the budget for marketing downtown.

Council had directed staff to develop a plan for downtown marketing. Staff had done that and also approached the marketing working group for their input. On June 21 staff will present to the Council the items that staff, members of the public, merchants and the marketing group had all mentioned as being important. These are: the downtown map and directory, the ambassador maps, Rock'n'Roll Marathon sponsorship and inserts, support for spring training and collaboration with the Scottsdale CVB, concierge outreach program, the resort trolley, support for signature events such as Fiesta Bowl, Parada del Sol, Barrett-Jackson, Arabian Horse Show, the ad for NASCAR, and promoting Artwalk. The singing cowboy and the horse-drawn trolley were other items that people felt were very important, as were the website and program tracking.

Staff will be asking City Council to identify a source of funds to fund these programs, which will benefit downtown as a whole. They will advise Council that the working group felt strongly about the area grant program. A second option, option B, will be included in the packets for the Council.

Mr. Little noted that staff is not recommending a funding source. However they are highlighting to the City Council that next year's proposed operating budget is anticipating a \$2.5 million contingency. This would be a possible source of funds.

Mr. Fernandez of the Brown Stetson Merchants Association asked about the logistics of redesigning the map and directory to reflect the larger area, should Council decide on Option A. Mr. Little replied that the answer was unknown at this time.

Commissioners had several questions about the figures on Option A and how and where the funds would be spent. Mr. Little advised that the consensus plan contained things that had worked well the previous year and that the intention would be to continue implementing these in the same manner.

Mr. Maguire of the Fifth Avenue Merchants Association asked whether the line items in option A were going to be approved individually by Council. Mr. Little explained that

Council would be voting on the total budget amount. In response to a further question from Mr. McGuire, he clarified that staff would decide how the money was divided up. Mr. Fernandez commented that the amount in option A for the map and directory seemed insufficient, given the greatly increased area that would be covered.

Commissioner Johnson made the comment that in her personal view, City staff did not have the level of knowledge or experience of dealing with retail businesses nor how to market them effectively, but that the marketing group did. City staff had extensive experience, but their forte did not lie with this type of promotion. She felt it was inappropriate to have staff making these types of decisions.

COMMISSIONER ATKINSON MOVED THAT THE EMSD COMMISSION ENDORSE THE MARKETING RECOMMENDATIONS FROM THE MARKETING WORKING GROUP OPTION B ATTACHED AND RECOMMENDS ITS APPROVAL TO THE CITY COUNCIL. THE MOTION WAS SECONDED BY VICE CHAIRMAN PIAZZA AND PASSED UNANIMOUSLY.

Chairman Gookin noted the Commission's support and gratitude to the marketing group's work on behalf of downtown Scottsdale. He hoped that the group would somehow be able to continue these efforts.

AREA GRANT APPLICATIONS / STATUS

Ms. Korf reported that staff had received an area grant application from the Brown Stetson Merchants Association in the amount of \$6,300. Also, Olson had received area grant reimbursement requests in excess of approved amounts, but within the overall area grant allocations, from Main Street (\$1,500) and Marshall Way (\$8,400).

Ms. Duley, of the Scottsdale Gallery Association addressed the meeting on behalf of the Main Street Merchants Association. The Association had come in under budget, but had overspent by \$1,434.53 on advertising in the Best of Scottsdale. They requested that this be redistributed from other funds that had been allocated to the Association. They would then be under budget by \$1,151.53.

A MOTION WAS MADE BY COMMISSIONER ATKINSON TO REALLOCATE \$1,434.53 IN THE BUDGET OF THE MAIN STREET MERCHANTS ASSOCIATION TO COVER THE OVERRUN ON THE COST OF ADVERTISING IN BEST OF SCOTTSDALE. THE MOTION WAS SECONDED BY VICE CHAIRMAN PIAZZA AND PASSED UNANIMOUSLY.

Mr. Fernandez, President of the Brown Stetson Merchants Association, addressed the meeting. The Association had requested approximately \$6,300. These funds would be earmarked for television advertisements for the district. The free trolley rides would be included in the commercial, as would the horse fountain. Their intention is to create a

generic ad that could be run for years to come with taglines varied to cover different seasons and occasions.

COMMISSIONER ATKINSON MOVED THAT THE APPLICATION OF THE BROWN STETSON MERCHANTS ASSOCIATION BE APPROVED UP TO, BUT NOT TO EXCEED, THE FULL AMOUNT OF THE ASSOCIATION'S UNUSED AREA GRANT ALLOCATION. THE MOTION WAS SECONDED BY COMMISSIONER JOHNSON AND PASSED UNANIMOUSLY.

Ms. Korf presented the request on behalf of the Marshall Way Merchants Association. They had gone over an individual line item and were requesting a reallocation of \$8,400.

COMMISSIONER ATKINSON MOVED THAT THE APPLICATION OF THE MARSHALL WAY MERCHANTS ASSOCIATION BE APPROVED UP TO, BUT NOT TO EXCEED, THE FULL AMOUNT OF THE ASSOCIATION'S UNUSED AREA GRANT ALLOCATION. THE MOTION WAS SECONDED BY COMMISSIONER JOHNSON AND PASSED UNANIMOUSLY.

STAFF ANNOUNCEMENTS

Ms. Korf circulated a media release issued by Olson and a list of all the coverage that it generated.

COMMISSIONER ANNOUNCEMENTS

Commissioner Johnson said she had enjoyed her time with the Commission and the opportunity to work with such generous people. Chairman Gookin thanked the Commission members, staff, and merchants who had been involved for their service. He believed that the Commission's activities had done more good than harm. Other Commissioners concurred.

ITEMS FROM THE FLOOR

Mr. Maguire of the Fifth Avenue Merchants Association asked whether the artwork that the marketing group had done had been obtained by the City in an editable format. Ms. Korf responded that a wrap-up meeting would be held. Chairman Gookin stated he had sent a formal request by e-mail to that effect.

Ms. Duley of the Scottsdale Gallery Association wondered whether there was any procedure that could be used to ask City Council not to abolish the Enhanced Municipal Services District. Once dissolved, as a matter of law, it could never be resurrected. Mr. Little confirmed that this was correct. City Council would have to take affirmative action

before the end of FY06 to continue the District. Anyone who wished to see the District continue would need to lobby the Mayor and Council to that effect.

ADJOURNMENT

With no further business to discuss, the regular meeting of the Scottsdale Enhanced Municipal Services District Commission was adjourned at 7:07 p.m.